

LNF & IHCIF Calculations Illustration

- SYCUAN MEDICAL CENTER in California area -

Given Data

- 95 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 90% = % Expenditures on purchased services, 10% = % expenditures in-house
- 129.1% = Cost index for purchasing health care in this geographic area
- 135.7% = Size cost index for in-house costs due to small or large size
- 95.9% = California area cost index for health status above or below average

Cost Adjustment Calculations

- \$3,463 per person for purchased services = $90\% * 129.1\% * \$2,980$
- \$404 per person for in-house services = $10\% * 135.7\% * \$2,980$
- \$3,867 per person total = \$3,463 (purchase) + \$404 (in-house)
- **\$3,710 per person total** adjusted for health status = $\$3,867 * 95.9\%$
- **\$2,965 per person net cost** = $\$3,710 - \745 Other resources (M&M&PI)

Existing Expenditures (for 95 users excluding wrap-around and collections)

- \$2,412 per person = local IHS allowance (excludes \$ for wrap-around)
- \$222 per person = expenditures elsewhere in California area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$2,688 per person for OU users** = $\$2,412 + \$222 + \$54$

LNF Calculation

- **72.5% Gross LNF** = $\$2,688$ (expenditures) / $\$3,710$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **90.7% Net LNF** = $\$2,688 / \$2,965$ net cost ($\$3,710 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 90.7% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

SYCUAN MEDICAL CENTER Unmet Needs

- **\$281,664 Net Total Need** = 95 users * \$2,965 net cost
- **\$26,289 Net Unmet Need** = $(100\% - 90.7\% \text{ LNF}) * 95 \text{ users} * \$2,965$ net cost